

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

February 2004

DATA SYSTEMS & ANALYSIS

Data Base and Application Development

Ambulatory Surgery Survey for 2003

Staff finalized all updates to the 2003 ambulatory surgical survey. The survey is available for completion online at the MHCC web site. Ambulatory surgical centers (centers) received written instruction along with their password and user ID during the first week of February. Centers have 45 days from the notification date to complete the survey. Changes to this year's survey were, generally, content related and some online navigational enhancements.

Medical Care Data Base Submission Requirements Released for 2004

Staff provided consultative support to approximately ten payers on various issues relating to their professional claims data submission in accordance with COMAR 10.25.06. Staff routinely addresses payer questions regarding data content and submission throughout the year. Staff is in the process of updating the *Data Submission Manual* for release in late February. Each year, staff uses input from the vendor and payers in revising the manual. The *Data Submission Manual* is available to payers at the MHCC Web site.

Staff continued its efforts to develop a request for proposal (RFP) for selecting a vendor for its Medical Care Data Base (MCDB). This is the final year of the three year contract for the MCDB vendor, Social and Scientific Systems. The RFP is expected to be forwarded to the Department of Budget and Management for approval in early March. Staff anticipates releasing the RFP to the industry around the end of March. Staff plans to conduct vendor interviews in April and select a vendor in early May.

Data Release for the 2002 Maryland Long-Term Care Survey

The Commission staff will release public use data in early March. The information gathered from the survey will be released by facility type: comprehensive care, assisted living, and adult day care. The information that is collected by the Commission under this survey is aggregated to the facility. No individually identifiable data is collected

Cost and Quality Analysis

DHMH's Diabetes Prevention & Control Program (DPCP)

MHCC and the Department of Health and Mental Hygiene's (DHMH's) Office of Disease Prevention, Diabetes Prevention and Control Program (DPCP) are developing an RFP to identify a vendor to assist the MHCC and DHMH in constructing baseline measures for assessing diabetes treatment in Maryland Medicare beneficiaries in 2002. The vendor will use Medicare claims data and beneficiary files held by MHCC to construct the measures. The funding for the study will come from the Centers for Disease Control (CDC) funds awarded to the DPCP for this purpose, as well as supplemental MHCC funds. In Early February, DPCP s informed MHCC that CDC will commit an additional \$17,000 to the effort increasing the federal contribution to \$47,000.

MHCC hopes to release the RFP in March with contract award in May. A more complete description of the study will be provided at the March meeting.

Report on Practitioner Utilization for 2001-2002

The MHCC will release a report on trends in practitioner services in March. The report examines payments to physicians and other health care practitioners for the care of privately insured Maryland residents under age 65. This important analysis is based on the health care claims and encounter data that most private health insurance plans serving Maryland residents submit annually to the Commission as part of the Medical Care Data Base.

This is the third year that MHCC has released this spending trends analysis. Results will show remarkable price stability in private sector payment rates despite the increase of ten percent in health professional expenditures. This report will confirm that prices have not changed significantly since 1999. Despite rapidly rising malpractice expense for some specialties, and some evidence that nursing labor expense in Maryland is growing more rapidly than for the nation, physicians in Maryland do not appear to have experienced a significant growth in fees for several years.

The study, again, will peg private sector physician reimbursement to Medicare payments. Last year's report found that private sector payments were, on average, about 100 percent of Medicare rates. MHCC expects to report that private sector rates are slightly above Medicare rates for 2002. However, this finding is due, primarily, to a 4.5 percent decline in 2002 Medicare fees.

EDI Programs and Payer Compliance

Maryland Trauma Physician Services Fund

MHCC conducted two billing training sessions in January, one at Prince George's Hospital Center, and the other at the Hagerstown Robinwood Center. These sessions were well attended by practice administrators, billing managers, and a few physicians. To date, MHCC has conducted three regional billing training sessions. A fourth training session is scheduled for Peninsula Regional Medical Center on March 17th. Staff is planning on conducting several application review workshops in early April. These workshops are aimed at providing trauma physicians and trauma centers with preliminary feedback on the data quality of their applications. Staff intends to conduct workshops in Baltimore City, the Eastern Shore, and Western Maryland.

Over the last month staff received about 20 miscellaneous inquiries relating to the Fund. Staff continued to develop an industry Q&A flyer from questions received during the regional billing training sessions. Staff intends to post the Q&A flyer on the MHCC Web site at the end of February. During the month of January staff distributed over 100 *Maryland Trauma Physician Services Fund* fact sheets to interested parties.

Staff is in the early stages of developing an online uncompensated care application. The online application is scheduled for testing around the end of March. The Commission intends to encourage large faculty practice plans to submit their July uncompensated care applications online. MHCC will continue to accept hard copy uncompensated care applications from trauma physicians that prefer to submit on paper.

The auditing request for proposal (RFP) is scheduled for industry release on February 5th. The RFP is scheduled for publication in Contract Weekly on February 10th. A pre-bid meeting is scheduled at MHCC on February 19th. Interested vendors have until the close of business on March 4th to submit a response to the RFP. Staff anticipates the interviewing process to be

completed and a vendor selected in March. Coordinating the development and finalizing the work plan with the selected vendor is scheduled to occur in April. Auditing of uncompensated care applications and Medicaid claims are targeted to begin in June 2004.

Approximately \$5.3 million is available for distribution from the Fund as of the end of January. The Motor Vehicle Administration (MVA) has been collecting monies for the Fund for approximately six months. Mid-year projections indicate the MVA will collect about \$8.9 million by fiscal year end.

HIPAA Awareness

MHCC's HIPAA education and awareness initiatives continued throughout January. Over the last month, staff received approximately 25 telephone inquiries from payers and providers requesting consultative support on the regulations. MHCC is viewed by practitioners and health care facilities as a reliable source for obtaining HIPAA information. Last month, staff provided support to the following groups:

- Dental Alliance Network – Reviewed the privacy regulations for members at their regional quarterly conference. Approximately 20 representatives of the network participated in the meeting.
- Maryland Podiatric Association – Distributed information on HIPAA and other Commission-related activities at their quarterly conference. Staff also provided an overview of the security regulations during the conference.
- Maryland Chiropractic Association – Provided input to association leadership in developing a HIPAA program for their annual summer conference.
- Franklin Square Hospital – Assisted on an impact evaluation of the privacy regulations relating to various administrative policies and procedures.
- MedStar – Provided support in identifying electronic data interchange (EDI) barriers related to practitioner adoption of the transaction standards.
- Maryland State Dental Association – Worked with representatives to define the Commission's role at their summer conference.
- Peninsula Regional Medical Center – Developed an education session on HIPAA for practice managers.
- Western Maryland Health Care Systems – Presented on the security regulations to physicians and practice administrators.

Staff continues to receive requests from medical and non-medical health care associations for HIPAA related education. A number of associations have asked the Commission to overview the security standards and the recently released national provider identifier regulations later in 2004.

EDI Promotions

Staff completed a first draft of its *Practice Management System Survey Guide* and its *Payer Internet Resource Guide for Practitioners* with the assistance of the Commission's EDI/HIPAA Workgroup. The *Practice Management System Survey Guide* is intended for providers to use in evaluating practice management systems. The *Payer Internet Resource Guide for Practitioners* provides summary and detail information about online features available to providers. MHCC plans to make these guides available to providers in hard copy form and online. The EDI/HIPAA Workgroup meets again on March 30th and is expected to continue developing these information resource guides.

The Commission received an MHCC-certification application from The SSI Group, Inc. a large Midwestern electronic health network (network) specializing in hospital health care transactions. The SSI Group, Inc.'s decision to enter the Maryland market is a result of staff's ongoing effort to promote network expansion statewide. Staff provided consultative support to two other networks interested in the Maryland market: Practice Works and HealthFusion. Staff reviewed self-assessment documentation for Health Data Management, McKesson HBOC, and PayerPath. These networks are scheduled for Electronic Health Network Accreditation Commission (EHNAC) and MHCC-certification during the first quarter of this year.

MHCC solicited feedback from payers relating to its proposed changes to COMAR 10.25.09. Feedback from the payers was included in the proposed changes to the regulation. Changes in the regulation are required to more closely align them with the HIPAA transaction standards regulation.

Staff worked with several leading payers to identify providers that submit a high volume of paper claims. Staff intends to launch an EDI education and awareness program in March focusing on the large volume paper claim submitters.

PERFORMANCE & BENEFITS

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)

At the October 2003 meeting, Commission staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations along with the proposed draft regulations, which were published in the *Maryland Register* on December 26, 2003, subject to a comment period which ended on January 27, 2004. No public comments were received. The Commission will take final action at the February meeting. All adopted changes to the CSHBP will be put into regulations and implemented, effective July 1, 2004.

On January 30, 2004, Commission staff mailed the survey material to all carriers participating in the small group market in Maryland to collect their annual financial data. The deadline for carriers to submit these data is April 2nd. Staff will complete an analysis of the survey results, including number of lives covered, number of employer groups purchasing the CSHBP, loss ratios, average premiums as they relate to the 10-percent affordability cap, etc. Staff will present these findings to the Commission in the spring.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This “Guide to Purchasing Health Insurance for Small Employers” is available on the Commission’s website at: www.mhcc.state.md.us/smgrpmt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, chambers of commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Evaluation of Mandated Health Insurance Services

In November 2003, the *Annual Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501) was released for public comment. The Commission’s consulting actuary, Mercer Human Resource Consulting (Mercer), evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis will be produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the Legislature. A presentation was made to the Senate Finance Committee on February 4th. The final report also can be found on the Commission’s website.

The 2003 General Assembly passed HB 605, “Evaluation of Mandated Health Insurance Services.” As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all

existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the *Study of Mandated Health Insurance Services: A Comparative Evaluation* (as required under Insurance Article § 15-1502) was released for public comment on November 25, 2003. The Commission received public comments that opposed the elimination of the IVF mandate, which has been noted in the report. At the December 2003 meeting, the Commission requested that Mercer provide further analysis on the comparison of Maryland's mandates to those in other states before the report is approved for release to the Legislature. At the January 2004 meeting, the final report was approved by the Commission. Commission staff presented the report to the Senate Finance Committee on February 4th. The report also is available on the Commission's website.

Legislative and Special Projects

Uninsured Project

DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a \$1.2 million State Planning Grant by the federal Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the State's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the one year grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A fifth meeting with the Health Care Coverage Workgroup was held on November 10, 2003. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the State. During the November meeting, staff from the MHCC presented data on Maryland's uninsured population and the recent proposed changes to the Comprehensive Standard Health Benefit Plan. In addition, staff from the Johns Hopkins University presented findings from the cost of the uninsured study. Nelson Sabatini, Secretary of DHMH, spoke to the workgroup on his vision of health care reform in Maryland. The next meeting with the

Workgroup was scheduled for January 26, 2004; however, due to inclement weather, the meeting has been rescheduled for March 1, 2004.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services in November and the final report due in July 2004. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees - the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee - on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs, and the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Staff is currently reviewing those proposals which were received and will select the vendor to receive the designation this month. Criteria for the award are specified in the RFP and will be the basis for the designation.

2004 Legislative Session

The 2004 Maryland General Assembly session commences January 14 and adjourns April 12, 2004. MHCC staff has briefed the House Health and Government Operations Committee and the Senate Finance Committee on the Commission reports related to the small group market, mandated benefits, patient safety, the State Health Plan for Cardiovascular Services, the Hospice Report and HB 805 (2002). In addition, staff has reviewed numerous bills, including over 25 bills that directly affect the Commission's activities or are related to the Commission's mission. As of February 11, 2004, the Commission has taken a position or written letters of information/support/concern on 18 bills.

Facility Quality and Performance

Nursing Home Report Card

Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. MHCC is in the process of adding the new measures to the Commission's site and anticipate that the process will be completed by the end of February 2004.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement is to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group is now in the process of incorporating all comments and finalizing the report for presentation to the Commissioners during the April 2004 meeting.

Nursing Home Patient Satisfaction Survey: The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state

agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various states was presented to the Nursing Home Report Card Steering Committee during their January 2004 meeting for review and comment. The report provides draft recommendations that should guide the selection of a tool for the state. Given the length of the report and the importance of the recommendations, Steering Committee members were provided with additional time to review and comment on the document and they were encouraged to share the report with the members of their various organizations. Comments will be integrated and the first phase of the report will be completed by the end of February. The second phase of the project involves selecting a satisfaction tool. This phase is expected to conclude in August 2004.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide includes quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmission rates for 33 high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and were posted on the Commission's website in November 2003.

New Core Measures: The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The new measures will be publicly reported in the fall of 2004.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup has met three times, with the last meeting held on February 13, 2004. The initial set of 42 recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee and they were approved. The Commission's contractor,

Delmarva Foundation, is now extracting the data for each of the elements using the Health Services Cost Review Commission (HSCRC) data base. They are also developing a survey that will be sent to the hospitals to determine available obstetrics services that are not reported through administrative data. The elements will be presented to the Commissioners in March 2004 with an expected public roll out in May 2004.

Patient Safety Public Reporting Workgroup: The first meeting of the Patient Safety Public Reporting Workgroup was held on February 13, 2004. The purpose of this workgroup will be to examine potential patient safety measures that are appropriate for public reporting via the Maryland Hospital Performance Evaluation Guide. During the first meeting, the workgroup was provided with a brief overview of the current Guide and a presentation on measures that are available or publicly reported by other states and organizations. The group will now begin to explore measures that may be appropriate for reporting in Maryland.

Evaluation of the Hospital Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group is now in the process of incorporating all comments and finalizing the report for presentation to the Commissioners during the April 2004 meeting.

CMS Pilot Project: The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state-specific activities.

As a part of the pilot, hospitals from the three states participated in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS for review and public comment through February 2004.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during its January 27, 2004 meeting and agreed, in concept, that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. There are several implementation issues that need to be addressed before the tool can be adopted. MHCC staff will be meeting with representatives of CMS and AHRQ over the next several weeks to address these issues.

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint

Commission on Accreditation of Healthcare Organizations (JCAHO), are participating in a voluntary initiative that encourages every hospital in the country to collect and publicly report quality information.

The “starter set” of measures draws from three of JCAHO’s Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). This information, in addition to being on the MHCC website, was released on the CMS Website (www.medicare.gov) on November 6, 2003. This month, CMS announced that hospitals that do not submit performance data for ten quality measures will receive 0.4 percent smaller Medicare payments in fiscal year 2005 than hospitals that do report quality data. The HSCRC is considering the impact of this ruling for Maryland hospitals.

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation Guide Steering Committee on January 27, 2004 for review and comment.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and were added to the site in January 2004.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of HMO Publications

Distribution of 2003 HMO Publications

Cumulative distribution: Publications released 9/29/03	9/29/03- 1/31/04	
	Paper	Electronic Web
<i>Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide (25,000 printed)</i>	16,155	Interactive version Visitor sessions = 1,576
		PDF version Visitor sessions = 1,525

<i>2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland</i> (700 printed)	442	Visitor sessions = 791
<i>Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide—</i> 60,000 printed and distributed during open enrollment		

7th Annual Policy Report (2003 Report Series) –
Released January 2004; distribution continues until January 2005

<i>Maryland Commercial HMOs & POS Plans: Policy Issues</i> (1,000 printed)	594	Visitor Sessions = 67
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Final Distribution Total

6th Annual Policy Report (2002 Report Series) –
Released January 2003; distribution continued until January 2004

<i>Policy Report on Maryland Commercial HMOs and POS Plans</i> (1,200 printed)	801	Visitor Sessions: 1,473
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The second wave of scheduled mailings of HMO publications commenced in January. Distribution during this period focused on providing copies of the newly released publication, *Maryland Commercial HMOs & POS Plans: Policy Issues*, to Maryland legislators, public and academic libraries, health officers, and contacts in other states. The content of this fourth, and final, report in the HMO series is designed to give policy-makers the overall results of how well this delivery system provides health care to Marylanders. Release of this report coincided with the start of the 2004 session of the Maryland General Assembly.

Reference copies of the Comprehensive Report and Consumer Guide were included in all library mailings along with an order form to replenish their inventories. Montgomery County and Towson University requested additional copies for distribution.

Division staff carried out all support activities necessary to complete the winter mailing. The distribution protocol manual, database files, and cover letters were all updated. First draft revisions of the Performance Evaluation Bookmarks have been completed. The inventory of this tool has been depleted since the last mass distribution.

2003 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities

HealthcareData.com (HDC) validated the adult sample frame compiled by each plan reporting to the Commission in 2004. The approved samples frames will be used by the survey firm to draw the representative sample for each commercial HMO. Submissions were timely and produced according to specifications.

Division staff notified the audit firm that oversight will be conducted for the onsite review phase of the audit for Aetna, BlueChoice, CIGNA, and both MAMSI plans. Zeke Barbour will attend CIGNA's site visit on February 17 & 18. The two-day assessment of information systems and

processes will be held in Hartford, CT. This location was chosen by the audit firm because most operations have been consolidated and are conducted by the corporate office and regional processing center. Staff completed its review of CIGNA's Baseline Assessment Tool (BAT) in preparation for this activity. The tool provides lengthy and detailed documentation about the various systems supporting HEDIS data collection. Staff will participate in a pre-site conference call with the auditor to address inconsistencies and information missing from the BAT.

Consumer Assessment of Health Plan Study (CAHPS Survey)

Synovate, Inc. has drawn a random sample for each plan that will be used for survey administration. CIGNA and Kaiser made arrangements with the survey contractor to oversample to improve their response rates. Addresses have been verified through a national lookup and a final review of skip pattern logic performed. Several plans were notified regarding the directions given for skip patterns to their supplemental questions and changes were made to their survey template before Synovate began production of the printed material. The first mailing will occur in mid-February.

Waiver from Reporting

CareFirst BlueCross BlueShield requested a waiver from reporting performance results in 2004 for Preferred Health Network after the Maryland Insurance Administration approved a merger of the plan into BlueChoice. The Commission granted a waiver from mandated reporting based on projected declines in enrollment in 2004 and removal of the product from the market. Nonrenewal of groups begins in April, which will result in all members being out of the plan early next year. Vendors were notified to terminate further audit/survey activities for this plan.

Report Development Contract

HMO Quality & Performance staff will meet with NCQA, the report development contractor, in February for a debriefing session and to begin early planning for the next series of reports.

HEALTH RESOURCES

Certificate of Need

During January 2004, the following determinations of non-coverage from CON review were issued for project costs that were below the capital threshold: Anne Arundel Medical Center's renovation and expansion of two floors of the Donner Pavilion that house the DeCesaris Cancer Institute for \$31,919,200 (Anne Arundel County) and Johns Hopkins Hospital's \$1,960,000 renovation of two clinical care areas to expand the number of beds it can locate in the pediatric oncology unit from 14 to 20 (City of Baltimore).

Determinations of non-coverage from CON review were also issued for: the acquisition by Peninsula Home Care, LLC from Peninsula Regional Medical Center of the right to operate a home health agency in Wicomico County; the conversion of six assisted living beds to Medicare certified beds by Riderwood Village in Montgomery County; the right to operate 31 temporarily delicensed extended care facility beds formerly considered abandoned by the Union Memorial Hospital Extended Care Unit in the City of Baltimore; the addition of three residential treatment center beds to the New Directions Residential Treatment Center in Baltimore City (an increase in the bed complement from 26 to 29 beds); the addition of four special hospital psychiatric beds for St. Luke Institute in Prince George's County taking it from 43 to 47 beds.

Determinations of non-coverage from CON review were issued involving surgery centers: for the addition of urological services to the current ophthalmology single specialty surgery center for Eye Surgical Center Associates of Baltimore in Towson, Baltimore County; and for the establishment of a surgery center with one non-sterile procedure room and three examination rooms by Capital Area Surgery Center, LLC in Charles County.

Long Term Care and Mental Health Services

The Report on the Study to Clarify the Status of Existing Certificates of Need for Hospice Services and the Process for Updating the State Health Plan's Hospice Chapter was presented to the Commission at its December meeting. The report was posted on the Commission's website following the January Commission meeting. Commission staff presented the report before the Health and Government Operations Committee at a briefing on February 10, 2004.

A bid solicitation was awarded to Perforum in December to assist the Commission in developing an online survey to collect hospice data for the 2003 reporting period. A conference call was held with Perforum staff on February 6, 2004 to discuss the pilot testing as well as modifications to the survey.

Pilot testing on the 2003 Maryland Hospice Survey was conducted from January 19 to February 5, 2004. The following hospices participated in the pilot testing: Hospice of Baltimore, Seasons Hospice, Calvert County Hospice, Hospice of Charles County, Coastal Hospice, Talbot County Hospice Foundation, and Montgomery Hospice.

Commission staff was asked by the Hospice Network of Maryland to make a presentation to members at the annual Hospice Day in Annapolis on February 11, 2004. The presentation consisted of a discussion on data collection and information about the 2003 Maryland Hospice Survey, including contents, process, and instructions.

Specialized Health Care Services

Notice of the Commission's proposed action to adopt new regulations under COMAR 10.24.17, the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services, was published in the *Maryland Register* on December 12, 2003. The Commission provided an opportunity for the public to submit written comments on the proposed permanent regulations until January 15, 2004. On January 8, 2004, the Commission held a public hearing concerning the adoption of these regulations. On January 22, 2004, the Joint Committee on Administrative, Executive, and Legislative Review (AELR) of the Maryland General Assembly held a hearing on the proposed regulations. The Commission's staff provided an overview of the Commission's action and described the planning process and policies to the AELR Committee.

During the public comment period that began on December 12, 2003, and ended on January 15, 2004, the Commission received comments on the proposed regulations under COMAR 10.24.17 from over 100 individuals and organizations. The Commission's staff has prepared a summary of the public comments. At the Commission's public meeting on February 20, 2004, the staff will review the comments and provide a staff recommendation concerning adoption of the proposed Cardiac Surgery and Percutaneous Coronary Intervention Services chapter of the State Health Plan.

On February 10, 2004, staff briefed the Health and Government Operations Committee on the results of a national survey to determine the current status of state-level planning and regulatory oversight of special cardiovascular services, including cardiac catheterization, angioplasty, and open heart surgery. This survey was conducted for the Commission by the American Health Planning Association.

Staff distributed a draft of the Final Report of the Long Term Issues Subcommittee of the Advisory Committee on Outcome Assessment in Cardiovascular Care to members of the subcommittee for their review. The focus of the Subcommittee on Long Term Issues was on identifying topics for further study, developing proposals to further evaluate key policy issues, and developing a long-range, evidence-based approach for assessing the impact of changes in cardiovascular services. The draft document summarizes the subcommittee's findings and recommendations developed during six meetings held between June 2002 and January 2003. The members will forward any comments to the staff by February 18, 2004.